

**Community Planning & Economic Development
April 11, 2013**

TO: Chair and Members of Community Planning & Economic Development
Standing Committee

SUBMITTED BY:

Church

Jennifer Church, Managing Director Government Relations & External
Affairs

DATE: April 4, 2013

SUBJECT: HRM and the Proposal for Regional Enterprise Networks (REN)

ORIGIN

This issue was discussed on February 19, 2013 at a presentation from Nova Scotia Economic and Rural Development and Tourism (ERDT) and the Union of Nova Scotia Municipalities (UNSM) to a group of HRM Councillors and staff.

LEGISLATIVE AUTHORITY

N/A

RECOMMENDATION

It is recommended that Halifax Regional Council:

- Request that ERDT, when it implements the REN model, leave HRM intact
- Ask staff to begin discussions with the Province of Nova Scotia on:
 - Strengthening collaboration between the province and HRM on economic development promotion and support
 - Developing new forms of financial support for economic development work in HRM, both urban and rural
- Ask staff to open discussions with the RENS, once established, on ways to cooperate to strengthen economic development across the province.

BACKGROUND

In 1994, the provincial government launched a set of Regional Development Authorities (RDAs) which covered the province. They were designed to promote grass roots community economic development. Under the Regional Community Development Act, 14 RDAs were established. The Greater Halifax Partnership (GHP) served urban HRM and the Halifax Regional Development Agency (HRDA) served the former Halifax County. The provincial and the federal governments provided core funding to both agencies.

In 2007, GHP and HRDA merged. The provincial and federal governments provided only half the core funding they had given the two agencies before the merger.

In recent years, some RDAs have been in the news because of financial problems. In May 2012 the Federal government announced it would cease providing core funding to all RDAs in May 2013. In July 2012, the province appointed an RDA Review Panel to do “targeted and facilitated consultations and report its findings and recommendations to government in the fall of 2012.”

The Review Panel released its report, *Renewing Regional Economic Development in Nova Scotia*, in October 2012. The panel recommended the following:

- Refine the mission of regional economic development organizations to guide and navigate regional economic development while providing support to businesses.
- Introduce a model of Regional Enterprise Networks (RENs) to reflect the organizations’ roles as connectors among economic development partners.
- Focus core activities for RENs to provide regional leadership on economic priorities, develop regional economic plans, and provide support to businesses.
- Introduce a shared governance model and enhanced governance practices.
- Refine performance standards to improve accountability and reporting.
- Align regions around communities of interest to support the development of priority and emerging sectors.
- Introduce a new funding model for regional economic development partners.
- Identify opportunities for the federal government to participate in regional economic development activities that align with its priorities.
- Establish six RENs to support regional economic development in rural Nova Scotia.

The panel recommended that the province focus its regional economic development efforts outside the urban core of HRM. It noted that “Given HRM’s robust economy and future prospects, the Review Panel felt it possessed an appropriate economic development organization with the Greater Halifax Partnership (GHP), which leverages significant municipal support and private sector investment.” The panel proposed that the western, northern and eastern parts of HRM become part of three other RENs.

ERDT and UNSM staff conducted a series of meetings with municipalities to discuss the recommendations in early 2013. The February HRM meeting was the last of those meetings.

While the Review Panel was doing its work, the Municipal Auditor General was preparing *Economic Development through Partnerships – A Performance Evaluation*. He presented that document to the Audit and Finance Standing Committee on February 13, 2013. The document contains 21 recommendations designed to improve the delivery of economic development support services in HRM.

DISCUSSION

The Province has not yet decided which of the RDA panel recommendations it will implement and how it will implement them. At the meeting with HRM Councilors and staff, provincial staff present made it clear that they were open to suggestions from HRM.

Geography: In the short discussion that followed the ERDT/UNSM presentation, the will of councilors present supported an approach which kept all parts of HRM together.

Since the GHP/HRDA merger and the loss of the core funding that had gone to HRDA, GHP has worked to provide better service to rural parts of the municipality. HRM also continues its efforts in provision of planning, safety and transit services, among other things, to knit the large municipality together.

Keeping HRM together for economic development purposes seems more appropriate than dividing it up, even while recognizing that the needs of rural parts of HRM differ from the urban needs.

Links to RENs: Data available suggest that HRM is the Nova Scotia growth engine. Being a “Hub City” (as described by the Conference Board of Canada), home to an impressive collection of institutions (the East Coast navy, several federal regional bodies, many provincial government departments and staff, universities and the main campus of the community college) and several large economic opportunities (the Irving Shipbuilding contract), has made HRM’s economic prospects quite promising.

In the REN discussions ERDT and UNSM had with other municipalities, several HRM municipal neighbours sought closer links with HRM. Whatever the final arrangement of RENs looks like, HRM must seek closer links with those bodies whenever they are up and running and ready to work with HRM.

Economic Development in HRM: The Auditor General’s report suggests that HRM can improve its own economic development performance. His report underlines the need for more focus in HRM’s work, a clearer link between inputs to economic development and outcomes, and the need for better collaboration with federal, provincial and private sector bodies working to improve the economy in HRM. As the province implements the RDA panel’s recommendations, and HRM implements the AG’s recommendation, there is an excellent opportunity to look at economic development from a fresh perspective and build in more clarity about roles and responsibilities and how to collaborate more effectively.

Financing Economic Development Activities: Implementing the recommendations from the two reports also offers an opportunity to review how three orders of government and the private sector support economic development, both in the urban and rural parts of HRM.

FINANCIAL IMPLICATIONS

None of the recommendations in this council report have immediate financial implications.

COMMUNITY ENGAGEMENT

The RDA Panel and the Auditor General both consulted widely before making their respective recommendations. Moving ahead with the recommendations in this report to council will not require additional community engagement.

ENVIRONMENTAL IMPLICATIONS

Implementing the recommendations in this council report will have no immediate environmental implications.

ALTERNATIVES

One alternative would be to encourage the province to implement the REN boundaries as spelled out in the RDA Panel Report. Based on the comments made at the ERDT/UNSM presentation on February 19, 2013, that alternative has been rejected.

ATTACHMENTS

None

A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/cc.html> then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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